

DCI/IC 73-1033/3

14 September 1973

MEMORANDUM FOR :
Acting D/DCI/IC

SUBJECT : DCI Annual Report to the President's
Foreign Intelligence Advisory Board
(PFIAB)

REFERENCE : Your Memorandum to Chairmen of the
USIB Committees, dated 28 August 1973,
Same Subject

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The attached account of the accomplishments of the Economic
Intelligence Committee in FY 1973 is in response to reference request.

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Executive Secretary
Economic Intelligence Committee

Attachment: as stated

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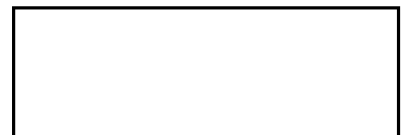
EIC Contribution to
the DCI's Annual Report to
the President's Foreign Intelligence Advisory Board (PFIAB)
Fiscal Year 1973

A. Major Developments

The Economic Intelligence Committee (EIC) and its subordinate units continued to contribute to the coordination of the foreign intelligence effort through the regular publication of coordinated reports on trade, aid, and transportation activities of Communist countries; the participation of its subcommittees in international conferences; and the active review by its subcommittees of economic intelligence research under way in the member agencies.

The EIC placed priority emphasis during FY 1973 on improving the economic intelligence requirements and coordination process of the USIB and non-USIB agencies. Steps were taken to ensure that all statements of intelligence priorities and all collection guidance documents adequately reflected the interests of both USIB and non-USIB agencies of the Washington economic community. Efforts were directed to achieve an improved flow of classified economic intelligence data and reports among the Washington agencies.

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B. Major Accomplishments

Production

An important service of the EIC continued to be the monthly publication of its long standing series of reports, Aid and Trade Activities of Communist Countries in Less Developed Areas of the Free World. An annual summary and a mid-year supplement also were published in the series. Two OER publications replaced the EIC annual report, International Trade and Transport of the People's Republic of China; an unclassified research aid, People's Republic of China: International Trade Handbook, and an intelligence report, People's Republic of China: International Transport, 1971 and Preliminary 1972. These publications were submitted to the EIC members for pre-publication review.

Subcommittee Activities

The EIC subcommittees continued their effective role as a forum for discussion, evaluation, and coordination of the economic intelligence activities and product of member agencies. The subcommittees discuss economic research programs and review projects of member agencies, explore new intelligence research techniques and maintain agreed statistics in their respective subject areas.

As a result of the continuing review of subcommittee activities, the EIC approved the abolition of the Subcommittee on General Economic

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Analysis. The Subcommittee was inactive during FY 1973 and had held no formal meetings for several years.

International Intelligence Conferences

Members of two of the EIC's subordinate units, the Subcommittee on Shipbuilding and the Subcommittee on Electronics and Telecommunications, regularly participate in international conferences on these subjects. These conferences have proved to be effective forums for exploring solutions to common research problems and for identifying important new research tasks.

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C. Coordination of Economic Intelligence Requirements

The Subcommittee on Requirements and Coordination moved vigorously in FY 1973 to carry out a series of remedial measures

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recommended by an EIC study in June 1972 to improve the requirements systems for the collection of foreign economic intelligence and to achieve greater cooperation among the many agencies and departments that comprise the Washington economic community.

Steps taken by the Subcommittee during 1973 have satisfied five of the six recommendations that it was tasked by an earlier EIC study to carry out; the sixth is in progress. Action taken on these recommendations include:

1. A "Coordinated Statement of Priorities on Economic, Financial and Commercial Intelligence Requirements Worldwide of the Washington Economic Community" was sent to all diplomatic and consular posts and missions by the Department of State. Twenty-one different components of the Washington economic community coordinated this statement, which will be updated annually.

2. The Subcommittee assisted in revising the economic objectives of DCID 1/2 to better reflect the importance of foreign economic developments to the nation. An improved coordinating mechanism was established to assure that non-USIB agencies' requirements appropriate for clandestine collection are included in the IPC List.

3. The economic sections of certain CIA reporting guides were expanded to include contributions from all the subcommittee participants, and published separately under the titles Economic Alert List (EAL)

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and the Economic Reporting Guide (ERG). These publications, covering both short-term information gaps and long-term reporting needs respectively, are disseminated to the field under the State Department's Combined Economic Reporting Program.

4. A survey of the physical personnel security needs of the participating non-USIB agencies was completed in order to facilitate the dissemination of classified economic intelligence materials.

5. A senior liaison officer was designated from each non-USIB agency to serve in a liaison capacity with USIB agencies and to be responsible for the internal distribution of classified intelligence materials.

D. Outlook

The EIC plans to seek further improvements in ongoing efforts to identify high priority economic needs of US policymakers and to provide guidance to the overseas missions. As part of this effort, a field evaluation of the new collection guides will be completed later this year. In addition, a guide to foreign economic research conducted by the Washington economic community will be completed in FY 1974. This publication will be useful in efforts to further improve the flow of economic intelligence data among the USIB and non-USIB agencies.

The SIC/EIC Computer Working Group will continue to assist the Council on International Economic Policy in its study of US computer export policies toward Communist countries. This important policy study should be completed in FY 1974.

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OFFICIAL ROUTING SLIP

TO	NAME AND ADDRESS	DATE	INITIALS
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Remarks:

OER called to say it could not meet JM's request for merely 2 double-spaced pp for EIC; instead, they'll kill 2 birds by writing overview of their A/R, which will amount to at least 6 pp. Nevertheless, they are aware there will be overlap with my input and they leave it to the final edit effort to reconcile sections and reduce their contribution to meet our specs.

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